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Chapter No. 336

16/SS01/R953

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SENATE BILL NO. 2520

Originated in Senate

Liz Welch

Secretary

SENATE BILL NO. 2520

AN ACT TO AMEND SECTION 81-1-81, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER OF BANKING AND CONSUMER FINANCE TO JOIN AN EXAMINATION OR ISSUE A JOINT REPORT OF EXAMINATION WITH THE FEDERAL RESERVE BANK OF CERTAIN BANK HOLDING COMPANIES; TO AMEND SECTION 81-14-401, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 81-1-81, Mississippi Code of 1972, is amended as follows:

81-1-81. (1) It shall be the duty of the commissioner to apportion the work of examining banks among the examiners in such a way that each bank, under the provisions of law, shall be examined at least once during an eighteen-month period and more often, if necessary, in the discretion of the commissioner, at irregular intervals and without prior notice. However, neither the commissioner nor any examiner shall examine one (1) bank twice in succession unless the commissioner, for cause, so determines. In the event the commissioner's office, because of workload or other good sufficient cause, is unable to conduct an examination

of a bank as provided for in this section, the commissioner is hereby authorized to accept the examination of any state bank performed by the Federal Deposit Insurance Corporation or the Federal Reserve Bank in lieu of the examination provided for in this section. However, in no case shall the commissioner be authorized to accept any such examination of any state bank performed by either the Federal Deposit Insurance Corporation or the Federal Reserve Bank for any two (2) consecutive eighteen-month periods.

(2) The commissioner may join an examination and/or issue a joint report of examination with the Federal Reserve Bank of any bank holding company, including any foreign-owned bank holding company, with more than One Billion Dollars (\$1,000,000,000.00) in assets that owns a Mississippi state-chartered bank. The commissioner shall not perform an examination independent of the Federal Reserve Bank. The commissioner may accept any examination report of a bank holding company performed solely by the Federal Reserve Bank in lieu of conducting a joint examination. Further, the commissioner may join in related supervisory orders issued by the Federal Reserve Bank. There shall be no cost to a bank or a bank holding company as a result of the commissioner's participation in a joint examination of a bank holding company as authorized by this subsection. The provisions of this subsection (2) shall stand repealed on July 1, 2022.

SECTION 2. Section 81-14-401, Mississippi Code of 1972, is amended as follows:

81-14-401. (1) Notwithstanding any other provision of law, any stock savings bank may simultaneously with its incorporation or conversion to a stock savings bank provide for its ownership by a holding company. In the case of a conversion, members of the converting savings bank shall have the right to purchase capital stock of the holding company in lieu of capital stock of the converted savings bank in accordance with Section 81-14-107(3)(f).

(2) Notwithstanding any other provision of law, any stock savings bank may reorganize its ownership to provide for ownership by a holding company, upon adoption of a plan of reorganization by a favorable vote of not less than two-thirds (2/3) of the members of the board of directors of the savings bank and approval of such plan of reorganization by the holders of not less than a majority of the issued and outstanding shares of stock of the savings bank. The plan of reorganization shall provide that (a) the resulting ownership shall be vested in a Mississippi corporation; (b) all stockholders of the stock savings bank shall have the right to exchange shares; (c) the exchange of stock shall not be subject to state or federal income taxation; (d) stockholders not wishing to exchange shares shall be entitled to dissenters' rights as provided under Section 79-4-13.01 et seq., Mississippi Code of 1972 * * *; and (e) the plan of reorganization is fair and equitable to all stockholders.

(3) Notwithstanding any other provision of law, any mutual savings bank may reorganize its ownership to provide for ownership by a holding company upon adoption of a plan of reorganization by favorable vote of not less than two-thirds (2/3) of the members of the board of directors of the savings bank and approval of the plan of reorganization by a majority of the voting members of the savings bank. The plan of reorganization shall provide: (a) the resulting ownership of one * * * or more subsidiary savings banks shall be evidenced by stock shares; (b) the substantial portion of the assets and all of the insured deposits and part or all of the other liabilities shall be transferred to one * * * or more subsidiary savings banks; (c) the reorganization shall not be subject to state or federal income taxation; and (d) the plan of reorganization is fair and equitable to all members of the savings bank. The commissioner shall promulgate rules regarding the formation of the subsidiary savings banks and the holding company, including the rights of members, levels of investment in the holding company subsidiaries, and stock sales.

(4) A holding company may invest in any investment authorized by its board of directors, except as limited by regulations promulgated by the commissioner pursuant to this chapter.

(5) Any entity which controls a stock savings bank, or acquires control of a stock savings bank, is a holding company. As used in this section, "entity" means an individual,

corporation, partnership, joint venture, trust, estate or
unincorporated association.

(6) Holding companies shall be under the supervision of the
commissioner. The commissioner shall exercise all powers and
responsibilities with respect to holding companies which he
exercises with respect to savings banks. * * *

SECTION 3. This act shall take effect and be in force from
and after its passage.

PASSED BY THE SENATE
March 31, 2016



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 31, 2016



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

April 5, 2016
4:02pm